COMMANDER'S CALL

Major General Richard V. Reynolds

9 & 10 Jan 01

AFFTC FINANCIAL STATUS

	FY 01	FY02	FY03
REQUESTED	$845M	$928M	$919M
FUNDED/ APPROVED	$714M	$831M	$816M
DELTA	$(131M)	$(97M)	$(103M)

AFFTC FINANCIAL STATUS IMPACTS

- Test & Evaluation Mission Area

  - FY 01/02
    - Proficiency Flying Funded at 75%
    - EW Test Equip Minimally Funded -- Few Spares
    - Support Fleet Minimally Funded -- Few Spares
    - Non Project Funded Travel/Training at Minimum

  - FY 03
    - Continuation of FY 01 & 02 Impacts
    - Cuts in EW Improvement & Modernization Funding
    - Delays Installed Test Integration Program Affecting Joint Strike Fighter, Electronic Systems Command, and Domestic & Foreign Customers at AFEWES

AFFTC FINANCIAL STATUS IMPACTS

- Installation & Support Mission Area

  - FY 01/02
    - Real Property Maintenance Funded at 43%
    - Decrease in Custodial and Grounds Services
    - Decrease in Training and Quality of Life Purchases
    - Improvements to Old BX Complex Delayed

  - FY 03
    - Continuation of FY 01 & 02 Impacts
    - New Fitness Center Moved From 03 to Beyond 05

AFFTC FINANCIAL STATUS IMPACTS

- Information Management Mission Area

  - FY 01/02/03
    - Minimal Investment Towards Network Improvements
    - Insufficient Funding for Training and Certification
    - Insufficient Bench Stock and New Equipment for Base Telephone Systems
    - Delay Compliance of Land Mobile Radio System

AFFTC FINANCIAL STATUS IMPACTS

**“We Are Short of Money;
Therefore We Must Start to Think.”**

**Lord Ernest Rutherford
1908 Nobel Laureate in Chemistry**

AFFTC CHANGE UPDATE

…Why Change?

0 – Number of T-6A Texan II Test Hours Flown at Edwards
$.33 – Amount We Get for Every $1.00 of RPMC We Need
44 – AFFTC Engineer Shortfall (Today)
62 – AFFTC Pilot Shortage "Fair Share" Allocation
1,674 – # of Days to Publish TR 97-27
2,300 – AFFTC Manpower Savings Commitment
$13,896 – FY01 Customer Cost of <u>One</u> F-15 Flying Hour
341,500 – USAF Projected End Strength

AFFTC CHANGE UPDATE

- Capacity? Workload? One Process?

- No Coherent Picture of “Enterprise”

- Lack Exploitation of Information Technology

- Evolution to “Aerospace Power” -- New Weapon System

- Changes in Customer Expectations

“Change is Mission # 1!”

AFFTC CHANGE UPDATE

- OK...How Are We Going to Achieve Change?
  - Competitive Sourcing and Privatization (A-76)
  - Reengineering
  - Realignment
  - Divestiture
  - Enterprise Business Systems

AFFTC CHANGE UPDATE

- Competitive Sourcing & Privatization/A-76…
  - Air Logistics Support Services (AGE, Trans Alert)
    -- 146 Positions: 122 Enlisted, 24 Civilian
    -- MEO Win; 57 Positions – Implement Oct 01
  - Base Library
    -- 7 Positions: All Civilian, MOU in to Convert to NAF
    -- Implement Oct 01
  - CE/Trans
    -- 505 Total Positions: 11 Officer, 201 Enlisted, 293 Civilian
    -- Oct 01 Decision (AFMC) – Implement Aug 02
  - Other Planned A-76s
    -- 930 Total Position: 17 Officer, 513 Enlisted, 400 Civilian

AFFTC CHANGE UPDATE

- Competitive Sourcing & Privatization/A-76…

“Effective Immediately, All Decision Announcements On A-76 Cost Comparison and Direct Conversion Studies Which Exceed Either 50 Civilians or a Total of 100 Authorizations (Military and Civilian) Will Be Put on Hold Until Further Notice.”

(SAF/AQ & AF/XP Message)

AFFTC CHANGE UPDATE

- Reengineering…

  - Done and Implementing:
    -- Test Pilot School
    -- Environmental Management
    -- Contracting
    -- Human Resources Development

  - In Work:
    -- Information Technology (AFFTC/IT)
    -- Resource Alignment System (Center Scheduling)
    -- Project Management
    -- Business Management (Start Feb 01)

AFFTC CHANGE UPDATE

- Reengineering Outcome...

  - Improve Effectiveness & Efficiency
    -- Remove Duplication, Scrap, Rework, “Brute Force”
    -- Avoid Relearning
    -- Meet Customer Needs...Operate Like a Business

  - Process-Centered Organization
    -- Disciplined, Repeatable Processes
    -- Organized Around Processes
    -- Agile and Responsive and Lean

  - IT-based Enterprise

AFFTC CHANGE UPDATE

- Realignment

  - Four Test Execution Squadrons (GR, GP (F&B), GV)
    -- Log Test and Test A/C Maintenance Embedded

  - CTFs for Big Ticket EMD Programs

  - LG Restructured for Backshops & Support
    Fleet Maintenance A-76

  - TS Becomes “EN” (Analyze & Evaluate Test)

  - Create “DR” (Bid & Proposal, Manage Projects)

AFFTC CHANGE UPDATE

- Realignment

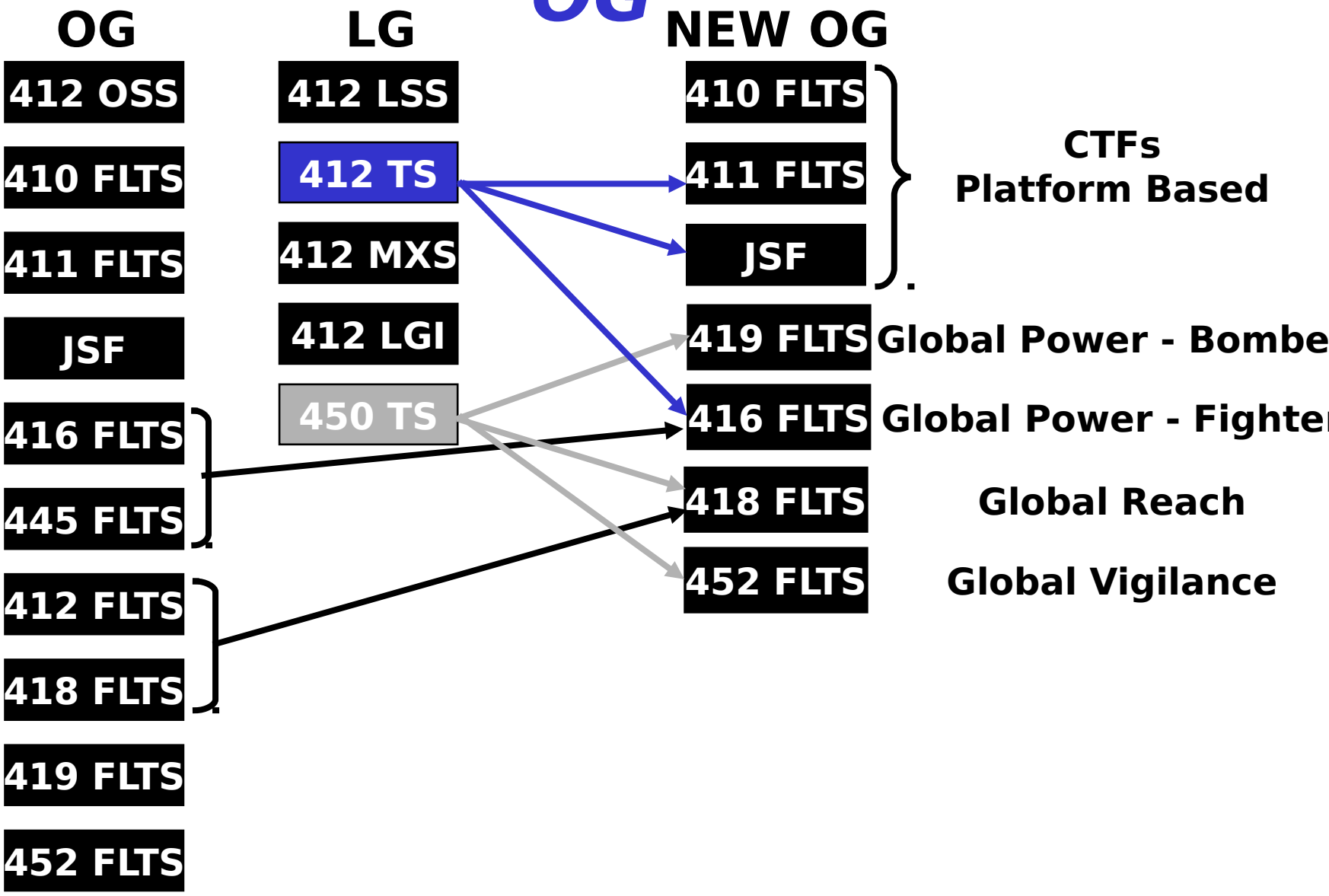
  - Aligns Resources Around Key Processes

    -- Aligns Organization By Products & Services

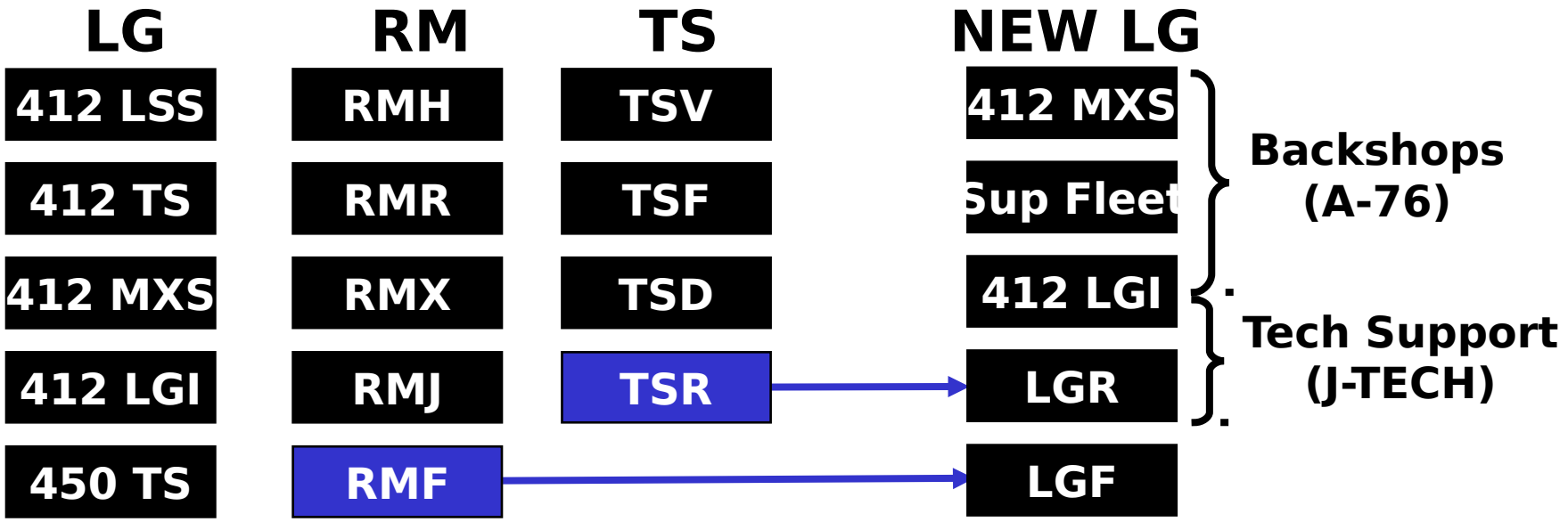
    -- Process Owners Have All the Resources

    -- Prepares for A-76; Postures for Working Capital Fund

REALIGNMENT--RESTRUCTURE OG



REALIGNMENT--RESTRUCTURE LG



AFFTC CHANGE UPDATE

- Divestiture...

  - Provide Customers Better Cost Effectiveness
  - Provide Funding and Manpower for Reengineering and Enterprise Business System
  - Full Time Team
  - South Base, ARIA, LG Tiger Team, F-15/16 OFP DT&E

AFFTC CHANGE UPDATE

- Enterprise Business System

  - Incorporate Enterprise Business System From AEDC
  - Leverages AF Investment and Lessons Learned
  - Provides One Set of Center Processes
    -- Financial, Workload, Project, Information, and HR Management
  - Provides T&E Mission Area Visibility

AFFTC CHANGE UPDATE

- Briefed to AFMC/CC 18 Dec 00

“Keep Gen Lyles Apprised of How You Are Proceeding With Reengineering T&E Process.”

“Provide Recommendations for the Best Actions That Gen Lyles Can Do to Support Your Efforts.”

AFMC/CC Totally Supportive!

AFFTC CHANGE UPDATE

- What's Change Going to Do For Us?

  - Cope With Present Challenges
    (Commitments, Budgets, Shortages...)

  - Secure Our Future and the Role of DT&E in the
    Future of Aerospace Power

JANUARY COMMANDER'S CALL

QUESTIONS?